

**NATIONAL MUSEUMS SCOTLAND
BOARD OF TRUSTEES**

**MINUTES OF THE MEETING HELD ON 10 SEPTEMBER 2010 IN THE NATIONAL
MUSEUM OF SCOTLAND, EDINBURGH**

Present:

Sir Angus Grossart	Chairman
Dr Isabel Bruce	Trustee
Mr Jim Fiddes	Trustee
Dr Anna Gregor	Trustee
Mrs Lesley Hart	Trustee
Mr Michael Kirwan	Trustee
Professor Michael Lynch	Trustee
Professor Malcolm McLeod	Trustee
Professor Stuart Monro	Trustee
Mr Ian Ritchie	Trustee
Sir John Ward	Trustee
Mr Iain Watt	Trustee

Dr Gordon Rintoul (GR)	NMS Director
Mr Andrew Patience AP)	Director of Finance & Resources
Ms Julie Brown (JB)	Head of Corporate Policy & Performance
Ms Fiona Bell (FB)	Director of Estates & Facilities Management (for Items 9 & 14)
Ms Jane Carmichael (JC)	Director of Collections (for Item 15)

Apologies:

Mr Andrew Holmes	Trustee
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Preliminaries

The Chairman thanked Jim Fiddes, Ian Ritchie and Michael Lynch for their significant contributions as Trustees of National Museums Scotland since 2001 (Jim Fiddes) and 2002. Throughout their tenures they had been involved in and advised on a wide range of matters. The Chairman highlighted that they have provided wise counsel and a great deal of support to the organisation, and enthusiastically championed the Museum externally.

ITEM 1 – APOLOGIES

1.1 Apologies had been received from Andrew Holmes.

ITEM 2 – MINUTES OF THE MEETING HELD ON 11 JUNE 2010

2.1 The minutes of the meeting held on 11 June 2010 were approved.

ITEM 3 – MATTERS ARISING

3.1 Matters arising from the last meeting were taken under the main agenda items.

ACTION

ITEM 4 – DECLARATION OF INTERESTS

4.1 It was noted that there were no declarations of interests from Board members in relation to the substantive items on the agenda.

ITEM 5 – CHAIRMAN'S REPORT TO THE TRUSTEES

5.1 The Chairman presented his report. Fiona Hyslop, Minister for Culture & External Affairs, visited National Museums Scotland on 11 August. The main aim of her visit was to tour the Royal Museum site with the Chairman and the Director, and to hear how our Project was progressing. There followed a general discussion with the Minister, during which we reiterated our future plans, priorities and aspirations. Trustees noted that senior representatives from the Heritage Lottery Fund had also toured the Royal Museum site in on 3 September.

5.2 The Chairman confirmed that the interviews for new Trustees took place in August. It was understood that letters from the Minister were in the process of being sent to the successful candidates. Further details would be circulated to the Board as soon as they became available.

JB

ITEM 6 – DIRECTOR'S REPORT TO THE TRUSTEES

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6.1 The Director presented his report which had been circulated.

6.2 The Board discussed the key points in the executive summary relating to the 2010 Staff Survey. They welcomed the positive progress made since 2007, with the majority of the set improvement targets exceeded or maintained. Trustees agreed that it was a priority for the organisation to address the small number of specific areas which still required improvement. The Director highlighted that, as noted in the summary, the organisational action plan was already in development.

GR, CH

ITEM 7 – FINANCIAL REPORT

NMS (2010) 23

7.1 Andrew Patience presented his report which had been circulated. For the period to 31 July 2010, the National Museums Scotland budget for 2010/11 showed a deficit. This reflected the organisation's baseline budget at break-even and a timed saving on Royal Museum Project (RMP) initiatives. These were offset by RMP NMS Enterprises costs, deferred project expenditure from 2010/11 and additional project expenditure in the year. The budget forecast for the year was currently showing a favourable variance.

ITEM 8 – REPORTS FROM COMMITTEES

(i) Draft Minutes of the Personnel & Remuneration Committee meeting held on 18 June 2010

8.1 The Chairman noted that the draft minutes of the Personnel & Remuneration Committee meeting held on 18 June 2010 had been circulated to the Board.

8.2 Further to minute item 6.2 above, Lesley Hart (Chairman of the Personnel & Remuneration Committee) confirmed that the Committee had considered the initial results of the Staff Survey 2010 at its June meeting and would be discussing the Survey again at its next meeting.

8.3 The Board noted that Committee's current position on Investors in People.

(ii) Draft Minutes of the Audit Committee meeting held on 13 August 2010

8.4 The Chairman noted that the draft minutes of the Audit Committee meeting held on 13 August 2010 had been circulated to the Board. [The minutes relating to the Annual Accounts are noted under Item 12 below.]

8.5 On key business risks, Sir John Ward (Chairman of the Audit Committee) stressed that the two main risks facing National Museums Scotland were in relation to income (cash and non cash) and estates sustainability. The Board noted that the organisation's risk register would be reviewed by the Corporate Management Team in October and revised to reflect the latest position.

8.6 Sir John Ward gave an update on internal audit. He reported that there had been delays in finalising the report associated with the Royal Museum Project, although there were no high risk matters of concern. The Board noted that the newly appointed internal auditors had commenced. As part of their workplan they would initially be focussing on undertaking a further RMP Change Management audit. It was agreed that, in the future, any major issues regarding audits should be reported to the Chairman.

(iii) Verbal Report from the Estates & Facilities Management Committee meeting held on 23 August 2010

8.7 Lesley Hart (member of the Estates & Facilities Management Committee) and the Director gave a verbal report on the Estates & Facilities Management Committee meeting held on 23 August 2010. Trustees noted that National Museums Scotland had updated the Scottish Government on our current assessment of backlog maintenance required across the entire estate (amounting to £16.3 million) and the urgent need for the renewal of parts of the estate. Proposals for dealing with these issues during the next Spending Review had been submitted to the Scottish Government. It was likely that no decision would be made by Government until the conclusion of the Spending Review in the late autumn. The urgency of the position had been conveyed to the Minister by the Chairman and the Director when they met on 11 August.

(iv) Verbal Report from the National Museums Scotland Enterprises Board meeting and Annual General meeting held on 10 September 2010

8.8 Michael Kirwan (Chairman of the NMSE Board) gave a verbal report on the National Museums Scotland Enterprises Board meeting and Annual General meeting held on 10 September 2010. He reported that retail sales were ahead of the budget forecast, while hospitality and events were facing a challenge due to the current financial climate. However, it was expected that the overall budget for 2010/11 would be achieved.

8.9 With regard to retail, Trustees welcomed the news that the new Retail Director was now in post and also the success of the bespoke retail items which accompanied the *Lewis Chessmen* exhibition. Looking ahead to the reopening of the Royal Museum building, an update was given on the progress of the new shops, the installation of new point-of-sale technology and the development of further bespoke items.

**ITEM 9 – THE ROYAL MUSEUM PROJECT: NMS (2010) 24
PROGRESS REPORT**

9.1 Fiona Bell (Project Director RMP/Director of Estates & Facilities Management) joined the meeting and presented the report which had been circulated. The Board noted the progress report for the Royal Museum Project.

9.2 A potential reopening date in 2011 was agreed, subject to the Project Director RMP being in a position to confirm to the Project Executive Group, following further handovers from the main works contractor, that we could safely assume the overall Project would be delivered on schedule.

GR, FB

9.3 The Board welcomed the news that approximately £11 million of the £12 million fundraising target had now been realised.

ITEM 10 – FUTURE STRATEGIC PRIORITIES NMS (2010) 25

10.1 The Board approved the revised Strategic Framework which set of the key themes, priorities and objectives that would drive National Museum's Scotland's activities going forward.

10.2 It was suggested that the Strategic Framework should have an accompanying statement which clarified that it would be achieved through the effective and efficient use of resources. It was also agreed that new Trustees should be provided with the document as part of their induction.

JB

ITEM 11 – FUTURE RESOURCING

11.1 The current financial climate and the awaited Spending Review announcement were discussed. It was confirmed that the UK announcement was still scheduled for 20 October and that the Scottish Government would then release its plans, probably some time in November. It was hoped that the timing would be such that the Board would be in a position to consider the Spending Review outcomes and their impact on National Museums Scotland at the next meeting.

GR, AP

ITEM 12 – ANNUAL REPORT AND ACCOUNTS 2009/10 NMS (2010) 26

12.1 The Board approved the Annual Report and Accounts for 2009/10. Sir John Ward (Chairman of the Audit Committee) stated that Audit Scotland had given an unqualified report.

12.2 Sir John Ward stressed that the key issues currently facing National Museums Scotland were firstly in relation to the estate sustainability (buildings maintenance, estate renewal, depreciation, valuations, diminution in valuation)

and secondly the revised Management Statement/Financial Memorandum. Sir John noted that, with the future uncertainties regarding funding and the additional risks associated with operating a larger commercial operation, it was advisable that the level of reserves held by the Museum be reviewed. It was intended that proposals on this would come to a future Board meeting.

AP

12.3 The Board welcomed confirmation that NMS Charitable Trust accounts would not be consolidated in the accounts of National Museums Scotland. It was agreed that the Board would be kept up-to-date regarding the NMS Charitable Trust.

ITEM 13 ANNUAL REVIEW 2009/10

NMS (2010) 27

13.1 The Board noted the planned approach to this year's Annual Review and the date of the annual Open Meeting (16 November). The Director undertook to feed back comments to the Director of Marketing and Development regarding the presentation of the document and the headings within it, and on the format of future Open Meetings.

GR

**ITEM 14 – SUSTAINABLE DEVELOPMENT STRATEGY:
ANNUAL REPORT**

NMS (2010) 28

14.1 The Board noted the progress report on the 2009/10 Sustainable Development Action Plan.

ITEM 15 – REVIEW OF COLLECTIONS ACTIVITY

NMS (2010) 29

15.1 Jane Carmichael (Director of Collections) joined the meeting and presented her report which has been circulated. The paper summarised progress on significant acquisitions, loans and partnerships, international activity, collections storage and the Treasure Trove Unit. The Board noted that National Museums Scotland had indicated that we would wish to acquire the iron age gold torcs, provided sufficient funding could be found. It was also noted that the valuations were still currently in progress.

**ITEM 16 BOARD OF TRUSTEES MEETING DATES:
2011/12**

NMS (2010) 30

16.1 The Board noted the meeting dates for 2011/12.

ITEM 17 FORWARD PROGRAMME OF BUSINESS

NMS (2010) 31

17.1 The Board noted the Forward Programme of Business.

ITEM 18 ANY OTHER BUSINESS

18.1 The Board conveyed their sincere thanks and best wishes to Jim Fiddes, Ian Ritchie and Michael Lynch.

ITEM 19 DATE OF NEXT MEETING

19.1 The next meeting will be held Friday, 19 November 2010.